

# EXHIBIT 23



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**Court Reporting and  
Litigation Services**

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Eric Jones - U.S. Bancorp Community  
Development Corporation

March 23, 2022

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U.S. Bank, National Association

vs.

Michael Qualizza, et al.

IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

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U.S. BANK, NATIONAL )  
ASSOCIATION, )  
 )  
Counterclaim Defendants, )  
 ) Case No. 4:21-cv-00120  
-vs- )  
 )  
MICHAEL QUALIZZA, NEIL D. )  
FREEMAN, TIMOTHY DIXON, )  
 )  
Defendants and )  
Counterclaimants, )  
 )  
and )  
 )  
DFQ MANAGEMENT LLC, and 1501 )  
WASHINGTON ST. LOUIS, LLC, )  
 )  
Counterclaimants, )  
 )  
-vs- )  
 )  
U.S. BANCORP COMMUNITY )  
DEVELOPMENT CORPORATION, and )  
U.S. BANK, NATIONAL )  
ASSOCIATION, )  
 )  
Counterclaim Defendants. )

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Deposition of U.S. BANCORP COMMUNITY DEVELOPMENT  
CORPORATION - ERIC JONES,  
On Behalf of Counterclaimants.  
Taken on March 23, 2022.

JENNIFER M. JETT, CCR No. 634

PohlmanUSA Court Reporting (877) 421-0099

1 market tax credit funds within six months prevent  
2 recapture in the way that is discussed in this  
3 paragraph?

4 A. Yes. That would require that whoever --  
5 whatever new lender comes in would also be required to  
6 provide enough funds to replace the QLICI loans, as  
7 well. So the new loan would have to cover whatever  
8 construction loan would need to be repaid as well as  
9 QLICI loans. But assuming that's done, then the  
10 QLICIs would go back to the subsidy; the subsidy would  
11 have six months to redeploy to another qualified  
12 project.

13 Q. Can you read the next paragraph starting  
14 with state HTC?

15 A. Okay. State HTC --

16 THE COURT REPORTER: I'm sorry. Can you  
17 read it slowly, please?

18 A. Okay. Sorry. State HTC: 10.2 million, no  
19 recapture risk. There is a pending \$10.2 million  
20 investment that the USBCDC will make once the  
21 certificate is issued, projected late August 2020, but  
22 there are no recapture triggers on this investment.

23 Q. Is that still true today, that there is no  
24 recapture risk?

25 A. Yes.

1 Q. Can you please turn to page 6 and if you  
2 could read the first sentence in the box titled  
3 "Financial Performance Discussion." And I -- we only  
4 need the first sentence.

5 A. "For stub 4-month period, Occupancy was  
6 40%, ADR was \$156, with RevPAR at \$62."

7 Q. And I'm correcting myself. Please do read  
8 the next sentence.

9 A. NOI for the period was negative 810,000,  
10 leading to an actual DSCR of negative 3.68 times and  
11 RRC DSCR of negative 2.33x.

12 Q. And can you please read the first sentence  
13 in the box at the bottom of the page titled,  
14 "Upgrade/Downgrade Triggers"? Just the first sentence  
15 there.

16 A. Okay. Upgrade: SAG sees no situation  
17 where an upgrade of facility would be warranted any  
18 time in 2020.

19 Q. And then, please, the second sentence?

20 A. Upgrade of facility is viewed as unlikely  
21 due to the COVID -- COVID operating environment makes  
22 achieving a stable TTM, which is trailing twelve-month  
23 DSCR of over 1.15 times near impossible until 2021, at  
24 which point the bank hopes it will already be paid  
25 off.